



FACT SHEET

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SMALL BUSINESS HEALTH OPTIONS PROGRAM HEALTH PLANS AND RATES

Today, Covered California™, the state's new health benefit exchange, announced the insurance carriers and rates for its small-group market, the Small Business Health Options Program (SHOP). With nearly half of all Americans receiving their health insurance from their employer, small businesses play an important role in ensuring Californians have health insurance coverage. Most business owners understand the competitive advantages of providing quality health insurance to their employees, as it helps businesses find and keep the best employees — keeping them healthier, happier and more productive.

Below are key facts about Covered California's SHOP.

- While rates vary by regions, the Covered California SHOP premiums are generally comparable to 2013 small-group market rates and, in some cases, can save small businesses money on their premiums.
- Covered California will offer health insurance options to small businesses from six carriers: Blue Shield of California, Chinese Community Health Plan, Health Net, Kaiser Permanente, Sharp Health Plan and Western Health Advantage. The plans were selected by a competitive bidding process.
- Small-business owners, with 50 or fewer employees, may enroll in the Covered California SHOP plans when the health benefit exchange is launched on Oct. 1, for coverage effective Jan. 1, 2014. Like the health insurance plans in Covered California's individual market, Covered California's SHOP plans were negotiated to bring a standardized set of benefits, a robust provider network, a broad choice for employers and their employees, and competitive prices.

(more)

- Covered California's SHOP anticipates making a broad choice of health plans available to more than half a million small businesses and more than 1 million uninsured workers in 2014.
- Small businesses are eligible for a federal health care tax credit if they have fewer than 25 full-time-equivalent employees for the tax year, pay employees an average of less than \$50,000 per year and contribute at least 50 percent of their employees' premium cost. Employers with 10 or fewer full-time-equivalent employees with wages averaging \$25,000 or less per year are eligible for the maximum amount of tax credits. To be eligible for the federal tax credits, small businesses must purchase coverage through Covered California's SHOP.
- The plans will be sold through licensed agents who are trained and certified by Covered California.

About Covered California

Covered California is the state's marketplace for the federal Patient Protection and Affordable Care Act. Covered California was charged with creating a new health insurance marketplace in which individuals and small businesses can get access to affordable health insurance plans. With coverage starting in 2014, Covered California will help individuals compare health insurance plans and choose the plan that works best for their health needs and budget. A sliding scale of financial subsidies in the form of premium assistance will be available to help reduce costs for people who qualify. Small businesses will be able to purchase competitively priced health insurance plans and offer their employees the ability to choose from an array of plans and may qualify for federal tax credits.

Covered California is an independent part of the state government whose job is to make the new market work for California's consumers. It is overseen by a five-member board appointed by the Governor and the Legislature. For more information on Covered California, please visit www.CoveredCA.com.

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